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# CITY OF LODI COUNCIL COMMUNICATION

AGENDA ITEM

E-8

**AGENDA TITLE:** Adopt resolution authorizing the City Manager to execute an agreement with Macias, Gini & O'Connell LLP to audit the City's financial records for the next five years beginning fiscal year ending June 30, 2008

**MEETING DATE:** July 2, 2008

**PREPARED BY:** Internal Services Director/Deputy City Manager

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**RECOMMENDED ACTION:** Adopt resolution authorizing the City Manager to execute an agreement with Macias, Gini & O'Connell LLP to audit the City's financial records for the next five years beginning the fiscal year ending June 30, 2008.

**BACKGROUND INFORMATION:** The contract with Macias Gini & O'Connell LLP (MGO), our current auditing firm, expired upon the completion of the audit of fiscal year ending June 30, 2007. The Council authorized staff to receive proposals in January 2008. On April 23, 2008, the City received proposals for the financial audit from the following three firms: MGO; Moss, Levy & Hartzheim; and Mayer Hoffman McCann.

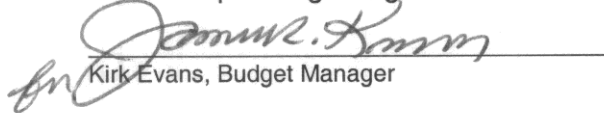
The proposals were carefully reviewed and rated by a committee comprised of four people that included two Lodi Budget/Finance Committee members, the Deputy City Manager/Internal Services Director, and the Financial Services Manager.

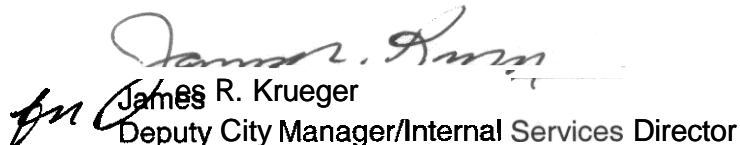
Interviews were conducted with two of the firms, MGO and Moss, Levy & Hartzheim, with MGO evaluated with the highest score.

Based on the criteria and results of the interviews, the Lodi Budget/Finance Committee recommended that the Council accept the proposal from MGO. Audit fees paid to MGO for fiscal year 2006-07 were \$94,200. The proposal from MGO is a five-year proposal with fees increasing by 3% each year.

**FISCAL IMPACT** None

**FUNDING AVAILABLE:** Current Operating Budget: 100205.7323

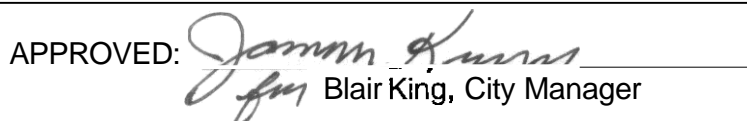
  
Kirk Evans, Budget Manager

  
James R. Krueger  
Deputy City Manager/Internal Services Director

RRP/rp

Prepared by: Ruby R. Paiste, Financial Services Manager

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**APPROVED:**   
Blair King, City Manager

RESOLUTION NO. 2008-132

A RESOLUTION OF THE LODI CITY COUNCIL  
AUTHORIZING THE CITY MANAGER TO EXECUTE AN  
AGREEMENT WITH MACIAS, GINI & O'CONNELL TO  
AUDIT THE CITY OF LODI FINANCIAL RECORDS FOR  
THE NEXT FIVE YEARS BEGINNING FISCAL YEAR  
ENDING JUNE 30, 2008

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NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute an agreement with Macias, Gini & O'Connell LLP to audit the City of Lodi financial records for the next five years beginning fiscal year ending June 30, 2008.

Dated: July 2, 2008

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I hereby certify that Resolution No. 2008-132 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 2, 2008, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, Katzakian, and  
Mayor Mounce

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Hitchcock

ABSTAIN: COUNCIL MEMBERS – None

  
RANDI JOHL  
City Clerk